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SDN Users Association, Inc.

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September 29, 1997

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the matter of

Implementation of the Subscriber Carrier
Selection Changes Provisions of the
Telecommunications Act of 1996

CC Docket No. 94-129

Comments of the SDN Users Association, Inc.

The SDN Users Association hereby responds to the Commission's Further Notice of Proposed Rulemaking (FNPRM), released July 15, 1997, seeking further comments on rules concerning implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996.

The Software Defined Network Users Association represents several hundred business customers of AT&T's Software Defined Network service. Our members represent all sectors of the economy and all geographic regions of the country, many with multi-state and multi-national presence. Each of these member companies and institutions is a sophisticated user of telecommunications services. We have chosen to comment on this proceeding because we believe the rules developed concerning implementation of Subscriber Carrier Selection Changes will have a profound impact on our member's enterprises.

As large telecommunications users, our members have a significant interest in this rule making. The SDN Users Association supports the FCC's efforts to protect consumers from unauthorized carrier changes, compensating carriers for lost revenue, and penalizing carriers for unauthorized changes. However, we have several critical concerns that should be considered.

- Verification rules must apply to all inter-lata, intra-lata, and local carriers. Ensuring all carriers are bound by a single and simple nationwide regulation will simplify enforcement activities and help frustrated consumers understand a complex issue.

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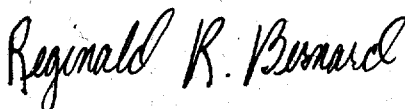
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- Implementing additional verification rules to inbound carrier selection calls will put additional financial obligations on carriers and therefore consumers. It is reasonable to assume a consumer making an in-bound carrier change call understands the ramifications to their actions and has the authority to do so. We see no value or benefit implementing additional rules effecting this type of transaction.
- The FCC should apply the same verification rules and procedures for carrier selection changes to carrier selection freezes. All intra-lata, inter-lata, and local carriers must operate under the exact same rules in a competitive environment to ensure consumers are able to truly benefit from competition.
- The FCC should implement substantial financial penalties on carriers identified making unauthorized carrier changes with increasing severe financial penalties for continued non-compliance. Penalties must be severe enough to eliminate all financial incentive for carriers not to comply with FCC regulations.
- The FCC should implement rules that change the current negative-option "welcome package" to a positive-option "welcome package" for all PIC-change orders generated by outbound telemarketing. Carriers will continue to have the ability to select from four carrier change conformation procedures.
- Absolving consumers of financial obligation for consumed network services will generate an environment for widespread consumer fraud. It is reasonable for consumers to pay for consumed network services. However, consumers should never pay more for an unauthorized carrier's service than they would have on their selected carrier's service. The identified unauthorized carrier must incur all costs to rectify the unauthorized change.
- The FCC should preempt conflicting state regulation of carrier selection verification to ensure all consumers are adequately and evenly protected. Implementing and enforcing multiple rules would create additional consumer frustration and add to the cost of verification and enforcement.

As mentioned in previous NPRM comments filed with the FCC, we are not lobbyists or telecommunications attorneys, we are telecommunications managers who must cope daily with the results of changes in the telecommunications landscape. We thank you for the opportunity to make those impacts known through this channel.

If we can provide further assistance in reaching these results, we would be delighted to do so.

Sincerely,

A handwritten signature in cursive script that reads "Reginald R. Bernard".

Reginald R. Bernard, President